

Statement of John Zippert

The following testimony is presented to the US House of Representatives Committee on Agriculture on behalf of the Rural Coalition/Coalición Rural, the Missouri Rural Crisis Center and Federation of Southern Cooperatives/Land Assistance Fund. We represent minority and other small-scale farmers and poor and people of color communities across the continent. Among them are vibrant and creative organizations working with African American, Euro-American and indigenous producers determined to maintain and rebuild a historic connection to the land, as well as Latino and Asian producers who represent a growing sector of agriculture throughout the nation.

I. INTRODUCTION

For over three decades, the Federation of Southern Cooperatives/Land Assistance Fund has worked diligently to help minority farmers remain on the land and to assist the hundreds of poor and people of color communities we serve throughout the southeast to build houses, cooperatives and credit unions. In 1978, the Federation was among the founding members of the Rural Coalition. Our Coalition has for over two decades serve to build alliances and enhance the efforts of the communities the Federation serves, and many others like it in every region of this nation.

The founding principles and goals of the Rural Coalition, below, are an appropriate starting point for this testimony on rural development. The communities of the rural United States now lag farther behind in sharing the benefits of the economic vitality of the past decade. The digital divide is only one of the growing chasms that separates poor and people of color communities from the rest of our society. In addition to the long injustices and neglect in African American communities in the south, federal government support has also failed to reach the new Latino and Asian-American communities who seek access to the land throughout this nation. Today, the poorest living conditions on this continent are found on Indian lands and in migrant worker colonias at the borders. The programs and services of the Rural Development mission area in the US Department of Agriculture still fail to reach the vast majority of the communities we and our members and partners jointly serve.

This is not how it should be. The recommendations we share with you today emerge from the goals and principles which govern the Rural Coalition and those that form our joint Campaign for a Just Food and Farm Policy. All members of our Coalition believe that:

- Justice and equal opportunity are the right of all people regardless of race, sex, or place of residence.
- All rural people are entitled to the goods and services essential to a decent quality of life, including education, health and employment services, housing, and basic community facilities. They are also entitled to democratic community institutions dedicated to serving their interests.
- The long term viability of rural communities rests on effective control and use of resources by the people living in rural areas, including family farmers, local business people and working people in all walks of life.

- Community-based organizations are instrumental in the development of rural communities. Public policy should encourage their growth and strength.
- The federal government has responsibility to insure the rights of all citizens and to help secure the fulfillment of these rights.

Consistent with these goals and the task before us today, I would like to expand upon the following three propositions in the remainder of my statement.

- Community based organizations are essential and experienced partners in any effective rural development strategy. Public policy seeking equitable rural development should strengthen the capacity of these organizations and include them as real partners at every level of development.
- Rural Development Programs and Services must be a fundamental part of any cohesive national farm and food policy, and must be designed in such a way and funded at such a level as to assure basic needs of all rural people are met equitably and that no community is left behind.
- A viable and equitable agriculture policy is fundamental to any rural development strategy. Recent Farm bills have redirected resources to larger farmers. However, the Small and Minority Farm Sector has held on through many adversities and appears to be resilient and with appropriate investment, ripe for expansion. The federal government should invest in and not undercut their efforts. Moreover, our farm policy should be constructed in such a way as to assure the benefits of agriculture are accrued within, rather than extracted from, rural communities, their land and resource base, and their future viability

II. SUPPORTING THE ROLE OF COMMUNITY BASED ORGANIZATIONS IN RURAL DEVELOPMENT

Community based organizations are essential and experienced partners in any effective rural development strategy. Public policy seeking equitable rural development should strengthen the capacity of these organizations and include them as real partners at every level of development.

For the Federation of Southern Cooperatives, or the dozens of community based members of the Rural Coalition, the need for support to build capacity is our most fundamental, every day need. For decades, our members have struggled through every challenge imaginable to keep our doors open and continue to serve the members of our community, to whom we are accountable, and who have no place else to go. Many staff members of our organizations have struggled every day for years with far too much work to do, and no hope of a secure income, retirement or often even health insurance. We keep on working because those we serve have strong faith in us and hope to secure a better future for their families.

The Federal government was at one time a critical partner in rural development, one that led advances in our communities and brought electrification, water, transportation and other basic services to some of the most isolated areas. For decades, the foundation community was another critical partner, with many years of investment in eradicating hunger and poverty in rural areas.

Over the past two decades, these resources have steadily eroded. Most of the major foundation - supported anti hunger and rural programs have been replaced by other priorities. Changes in

telecommunications law, health, transportation, education and energy policy have left our communities far behind and without hope of equity in services. USDA programs have become smaller and more cumbersome, and for the most part no longer accessible to the community based groups who spurred their development for many years.

We struggle now to do everything with far less, and watch opportunities pass by our communities for want of no more than the time of one or two experienced community workers who could make things happen. I would like to share with you one sad illustration of this reality.

Over the past 20 years, the Federation of Southern Cooperatives has had a rural housing program that with some federal support has yielded many results. In two of the poorest rural counties in the nation, Greene and Sumter, Alabama, our efforts have led to the construction of 350 single family homes and 4 cooperatively-run housing projects with a total of 126 rental units. To enable the families who now reside there to fulfill their dream was no easy matter.

Our Housing specialist, the late Cleo Askew, labored day in and day out on detail, construction.

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project is a virtual CSA (community supported agriculture) that is being used to educate consumers as well as build new markets for participating coops.

Our partner, the Missouri Rural Crisis Center, has created Patchwork Family Farms, which processes and markets fresh pork products directly to consumers and assures a fair price to all participating producers. Our member, the Sin Fronteras Organizing Project has built a center serving farmworkers in El Paso, and the Florida Association of Farmworkers has established three credit unions, a cooperative store, and labored to meet the housing and other needs of its more than 5000 farmworker members.

The farmers we represent have further determined that cooperation across borders and seasons can improve the viability of farms and communities. They have built new links across communities and regions, and through Supermarketcoop.com, created their own version of an alternative people to people North American Free Trade Agreement with our members and partners in Mexico. Along with linking U.S. consumers to Mexican products, members of the SuperMarketcoop.com are preparing to serve the growing middle-income market in Mexico with products from U.S. small farms..

These are only a few examples of the achievements of our hardworking members. Without them, our communities would certainly be even more poor.

At a time when policy makers are contemplating federal support of faith based organizations to accomplish work that has been difficult for others, we strongly recommend that the Congress focus as much support on the Community Based sector which represents poor people, serves their needs, and is accountable to them. These organizations need and deserve to be recognized, valued and supported. Experience shows that policy makers have called on our organizations, we have delivered all that was required and more.

We recommend that this committee and the Congress:

1) Support, fully fund and expand those programs which dedicate resources to capacity development of non-profit community based organizations, including but not limited to:

- The Department of Housing Rural Housing and Economic Development Program, the funding for which has been reduced from \$25 million to zero in the Administration's budget. The capacity building portion of this program is a model that should be extended to USDA housing and economic development programs.
- The USDA Rural Community Development Initiative, one of the few USDA programs which supports capacity building.
- The Rural Cooperative Business Development Program which supports cooperative development and training centers.
- The Department of Commerce Technology Opportunities Program which has helped rural communities overcome the digital divide by fostering creative partnerships and programs with leadership from community-based organizations.

2) Provide appropriate authority in every USDA rural development program, and within the Department as a whole, to allow USDA agencies enter into grants and contracts with

community-based organizations to supply the outreach and technical assistance they are best suited to deliver to poor communities.

- 3) We further recommend that Congress support the role of federal employees, especially in rural development agencies, and reverse the disturbing trend of contracting out the work federal employees have previously done. Federal employees can more easily be held accountable for delivering fair services with appropriate oversight. The same is not true for contractors who may have no relationship with, or roots in, the communities in they are working with, and have strong incentives to cut corners in services. Contracts also do not supply the support or incentive to build the ongoing relationships that are essential to any sustained rural development. We join our members the American Federation of Government Employees Local 3354 and American Federation of State, County and Municipal Employees (AFSCME) Local 3870, in urging you to support the Truthfulness, Responsibility and Accountability in Contracting (TRAC) Act, which would correct longstanding problems and inequities in the contracting out process that are preventing the delivery of effective, reliable and affordable public services to the constituents we represent.

III. RURAL DEVELOPMENT MADE A VITAL PART OF FARM POLICY, ASSURING ALL BASIC NEEDS ARE MET AND NO COMMUNITY IS LEFT BEHIND

Rural Development Programs and Services must be a fundamental part of any cohesive national farm and food policy, and must be designed in such a way and funded at such a level as to assure basic needs of all rural people are met equitably and that no community is left behind.

We strongly support the position of over 100 members of Congress as conveyed to this committee that Rural Development must be an integral part of the 2002 Farm Bill and that budgetary resources must be shared among all critical farm policy goals, including rural development. We urge all other members of this committee to support their request.

The Rural Development Programs of the Department of Agriculture do not reach the vast majority of our community-based members. Application processes are often cumbersome and are largely controlled at the state level, where many community-based organizations have not achieved the network of relationships necessary for successful proposals. In many states, our members have had no success in gaining access to resources.

- We recommend that Congress investigate further the barriers to community based partnerships and participation in existing programs and appropriately modify application and review procedures that may create barriers.
- We further recommend that Congress expand support for rural cooperative development. Targeted funding should be provided for land based economic development in rural communities led by community based organizations. Specifically, funds should be set aside for cooperative development led by small farmers, farmworkers and other rural residents; and cooperative ownership of value added processing facilities and land trusts. Other priorities include funding for credit unions, rural community development, crossing the digital divide, and meeting the housing, health and educational needs of farmworkers and all other rural people who have been denied access to resources for development. Full funding for programs including Rural Cooperative Development Program, Farmworker and other Rural Housing Programs and the Technology Opportunity Program under the Commerce Department are also essential.

In the past decade, community based groups working at the grassroots level have often been bypassed or overrun by the many efforts to develop state rural development councils. While the councils in some states have reached out to community based partners, often their overall agenda differs from that of poor communities. Most of all, resources have not been provided to develop the relationships necessary to make the councils effective. This is not to say the councils are not useful.

- We recommend that resources be earmarked to assist community based organizations to develop partnerships with councils in a few states and develop models that could be more useful and more widely applied.

Housing is an urgent need. We share the belief of our member organization, the Housing Assistance Council, that federal government should commit to a comprehensive strategy for combating the housing affordability crisis in rural America.

Nearly one-quarter of nonmetropolitan households pay more than 30 percent of their incomes, and over 2.1 million rural households pay more than half of their incomes, for housing.¹ Also, despite housing quality improvements in recent decades, substandard housing continues to plague rural America, and many communities -- especially those in persistent poverty areas such as Appalachia, the Lower Mississippi Delta, the U.S.-Mexico border, and Native American lands -- lack an adequate supply of decent housing, especially rental housing, available at any price.

To meet urgent housing needs we recommend that Congress:

- Support homeownership through full funding of programs that foster federal public-private partnership strategies, such as the USDA Rural Housing Service (RHS) Section 502 Homeownership Loan program and the HUD Self-Help Homeownership Opportunity Program (SHOP), are critical to making the American dream of homeownership possible for many rural households.
- Support and fully fund rental housing production program to assure an adequate supply of housing opportunities for very low-income rural households. RHS's Section 515 Rural Rental Housing program reaches tenants with incomes at less than 50 percent of area median. Annual appropriations for this critical program, however, which reached \$540 million in FY 1994, have been drastically reduced in recent years.
- Rural communities face growing crises in prepayment and expiring use of rental units subsidized by both RHS and HUD and in rental assistance renewal needs. More than 11,000 projects encompassing nearly 290,500 units of RHS Section 515 rental housing are at risk of subsidized loan prepayment, conversion to market rents, and displacement of tenants. Funds that provide for the permanent preservation of at-risk units via transfer to nonprofit organizations should be increased in order to protect the federal government's significant investment in this housing stock.

¹ . Most statistics in this paper are HAC calculations of nonmetropolitan data from the 1997 American Housing Survey (AHS). *Why Housing Matters: HAC's 2000 Report on the State of the Nation's Rural Housing*, available at www.rural.home.org, includes additional findings from HAC's analysis of 1997 AHS data.

- The recent appropriations trend of replacing direct spending for rural housing loans with loan guarantees harms the neediest rural families. Loan guarantees are not as successful at providing housing opportunities to the rural families that are most in need. On average, loan guarantees serve households at 110 percent of area median income, while direct loans reach families at 60 percent of area median income.
- Migrant farmworkers and Native Americans, the worst-housed Americans, require programs targeted to their needs. Federal housing policy should include strategies that target funds to populations with persistent needs. The RHS Section 514/516 Farm Labor Housing and the Native American Housing Assistance and Self-Determination Act programs, for example, should be adequately funded.
- The housing needs of low-income, elderly persons will increasingly impact rural America. Elderly householders make up 26 percent of the rural population and approximately 60 percent of them are poor or near poor. These seniors are also more likely to live in substandard housing than seniors in the nation as a whole. Given the shortage of affordable rental and assisted living housing and the needs for housing rehabilitation and accessibility-modifications in rural areas, the impending progression of the baby boom generation into old age requires substantial investment to avoid an elderly housing crisis.
- Capacity building resources and operating funds are needed for local organizations in rural areas to be able to tackle local housing problems. Nonprofit organizations often have the will, but little means for engaging in the increasingly complex task of affordable housing development. Funding for initiatives such as the USDA Rural Community Development Initiative (RCDI), HUD's Office of Rural Housing and Economic Development and Community Housing Development Organizations under the HOME program should be increased and made more accessible to the most rural and impoverished communities.
- Lack of access to affordable housing credit is still a problem for many rural Americans. Rural households have a harder time than their urban counterparts in finding mortgage credit, and they generally pay more for the credit they do receive. The Community Reinvestment Act (CRA), which has increased credit availability and community lending opportunities in many low-income urban neighborhoods, should be extended to smaller banks so that its reach expands into rural America. Federal efforts to protect credit consumers from predatory lending practices, including home buyer education and credit counseling services, should also be increased to reach more rural households.
- Homeless assistance strategies should account for rural homelessness. Despite improved recognition of the problem of rural homelessness in recent years, federal homeless assistance policies remain biased toward urban communities. Rural homeless assistance organizations' competitiveness is compromised by their relative lack of experience, lack of access to matching funds and the increased costs of serving a dispersed population. Federal housing policy should include increased formula funding or set-asides for rural homeless assistance, and capacity building for rural organizations addressing homelessness.
- Successful housing strategies require more than just "bricks and mortar," and successful self-sufficiency strategies must account for housing needs. The myriad of needs of rural low-income households and their communities must be addressed in order for housing situations to improve. Likewise, welfare reform and other self-sufficiency strategies can succeed only

if people have decent homes and supportive services to assist them in the transition to work. Federal government agencies should expand inter-agency cooperation efforts aimed at a holistic approach to solving local housing, economic and community development needs.

IV. IN ORDER TO BE TRULY VIABLE AND EQUIBLE, THE BENEFITS OF OUR NATIONAL FOOD AND AGRICULTURE POLICY SHOULD ACCRUE TO AND NOT EXTRACT FROM RURAL COMMUNITIES

A viable and equitable agriculture policy is fundamental to any rural development strategy. Recent Farm bills have redirected resources to larger farmers. However, the Small and Minority Farm Sector has held on through many adversities and appears to be resilient and with appropriate investment, ripe for expansion. The federal government should invest in and not undercut their efforts. Moreover, our farm policy should be constructed in such a way as to assure the benefits of agriculture are accrued within, rather than extracted from, rural communities, their land and resource base, and their future viability

The word "rural" was once almost synonymous with agriculture. The growing expansion of corporate agriculture and industry concentration has forced many families out of farming and closed down the locally owned businesses that supported and survived off of the traditional agriculture industry. No longer does "rural" indicate a community of thriving family farmers and without this economic base, no longer does agriculture promise a viable future for rural people and places. The loss of agriculture as a foundation has left many rural communities in crisis and rural people with few economic opportunities. Rural communities are struggling to find their identity in this new era of agriculture and development.

The current structure of agriculture programs strongly favors large producers over small, a trend we urge Congress to reverse. Recent increases in the payment limitation and return to annual and untargeted disaster relief subsidies, while politically feasible as emergency response, have enlarged and redirected farm support payments to ever-larger farmers. However, the continued priority on policies that emphasize production over value and sustainability are not only shortsighted. They rob rural communities of a critical income base and diminish the value of the land, water, air and soil.

- We recommend that Congress reinstitute non-recourse loans and supply management which achieve fair price in the marketplace and reduce taxpayer expenditures while better valuing the land and the contributions of family farmers.

The farmers and rural communities we serve have employed determination and creativity to remain on the land. They have cooperatively derived new methods to diversify production, produce value-added products and enter new markets. They believe and support a strong network of thriving, successful, small and mid-sized family farms as being fundamental to the health of all people and to the economies of rural communities.

- We propose Congress at long last establish a program to meet the needs of limited resource and minority farmers. We recommend the "Small Farms of the New Millennium" payment program supports small farmers to increase the viability of their operations so they can reclaim their role in local economies.

SUMMARY OF LEGISLATIVE PROPOSALS FOR AGRICULTURE AND FOOD

In order to meet the goals summarized above, we share the following specific policy recommendations with the Committee.

- **Comprehensive Farm and Food Policy** – The debate on the 2002 Farm Bill must be democratic and open to all with a stake in the food system. The resulting farm and food policy must be comprehensive and assure the needs of all stakeholders, including those who lack the resources to participate, are met. The policy should promote bio-diversity and protection of the global resource base and assure the food security of future generations.
- **Commodity Programs and Disaster Protection** – We recommend that non-recourse loan programs be restored for commodity programs in a manner that will provide producers with a fair price. Congress should set commodity loan rates at a level that provides cost of production plus reasonable profit in the marketplace without the need for a deficiency payment. Supply management is an essential feature of such a program, which should be at no cost to the taxpayer. An adequate program of loan rates and supply management would help assure more balanced development on a global scale of small farm agriculture and protection of the resource base.
- **Farmer Owned Grain Reserve** - Growing expenditures on disasters underscore the need to adopt time-tested methods that save grain during years of abundant harvest and use it in years of shortfall. We recommend a farmer-owned grain reserve be reestablished, and favor a plan that allows farmers to hold the grain, compensates them fairly for storage, and provides them with decision making power on the conditions of its release.
- **Small Farms of the New Millennium Payments**: Many small and minority farmers, particularly those with who produce perishable products or seek a diversified operation, have been unable to access any federal farm benefits. Little investment has been provided to develop this potentially viable small farm base to undergird poor rural communities. We propose that the savings accumulated from adopting a price support program that does not require deficiency payments be dedicated instead to this program. Farmers with gross sales of less than \$100,000 and a total family income of not more than \$55,000 from all sources would receive a subsidy of not less than \$10,000 per year subsidy. Participating farmers would receive technical assistance from community based groups to prepare a 5 year plan for their operation. The program would serve to jump start the small farm sector, encourage crop diversity and entry into new markets, and allow flexibility to farmers who are in program crop programs, and those who are not. This program could offer some of the flexibility sought in 1996, and help address critical issues such as financial and risk management, marketing and diversification which are essential elements of successful and viable small farm enterprises in all regions of the nation.
- **Technical Assistance and Outreach Program for Minority and Limited Resource Farmers** : Minority and other small farmers still experience barriers and lack of information on USDA programs resulting in much lower participation rates. The underfunded Section 2501 Minority Farm Outreach Program established in the 1990 Farm Bill attempts with very limited resources to fill these gaps. Our research indicates that farmers who have received assistance from community based organizations funded through this legislation had higher rates of participation and understanding of USDA programs than those who had not. The current Section 2501 Program should be made mandatory and funding authority increased to \$50 million annually. We further propose that outreach and technical assistance authority be extended to serve participants and prospective participants in farm programs and the small farmers of the new millennium program. Congress should grant clear authority and funding to allow USDA agencies to contract with community based organizations and educational institutions with demonstrated experience in serving low income, limited resource and minority farmers.
- **American Indian Agriculture**: We urge support for the comprehensive proposals set forth by the Intertribal Agriculture Council to foster and expand Indian Agriculture. We also urge full funding for the Indian Reservation Extension Agent Program. Unlike virtually every farm and urban county in the country, only Indian Reservations have never been afforded extension services. This program, which has been consistently underfunded, covers the cost of extension agents to work out of offices on Indian Reservations, and helps to correct a longstanding inequity in services. Our campaign endorses the recommendation of the Intertribal Agriculture Council.

- **Equitable Access to USDA Programs :** Currently, the county committees and other local USDA entities which allocate farm program resources do not operate uniformly and equitably for all farmers and assure the fair allocation among minority, beginning and limited resource farmers. Without reforms to make these entities more responsive and reflective of a county's diverse population, USDA remains liable for inequitable delivery of services and disparate treatment of its constituents. Necessary reforms including making minority advisors voting members, assuring fair participation in county committee elections, and open and public reporting of election participation and results. The use of target participation rates programs established in the 1987 Agriculture Credit Act and open reporting participation in USDA programs according to race, ethnicity and gender should be reviewed and extended to all USDA programs on a county, state and national basis. Establishment of a **Minority Farmers Registry** is critical to provide a baseline to prevent further land loss and so that programs and policies can be developed to accomplish this goal.
- **Food and Nutrition Assistance:** Participation in food stamp programs had declined rapidly despite the fact that there has been a substantially lower reduction in people living in poverty. It is estimated that 2 million more people live in poverty and do not receive food stamps today then in 1995. We support the Nutrition Assistance for Working Families and Seniors ACT which will: Restore food stamp eligibility to all legal immigrants; End the child penalty in food stamp law; Increase the minimum food stamp benefit to \$25; Include child support in the existing food stamp earnings disregard; Expand state options for transitional food stamp assistance; Improve access to food stamp information; and Increase access to emergency food.
- **Access to Food:** All people should be assured access to an affordable and nutrition diet. US Food programs, including Food stamps, should receive adequate funding to assure all needs are met. Benefits, including food stamps for legal residents, must be restored or extended. Access for small and minority farmers to provide products for feeding programs should be assured, with specific outreach funds and authority added.
- **Community Food Security:** Programs should improve community food security by promoting collaborative relationships and the planning and implementation of community food plans and strategies. Congress should expand current programs and assure specific outreach and authority for participation by community based groups serving minority and other small farmers.

ADDENDUM A. - ABOUT OUR ORGANIZATIONS

Rural Coalition/Coalición Rural

The Rural Coalition is an alliance of regionally and culturally diverse organizations working to build a more just and sustainable food system. We join together to work for a system that brings fair returns to minority farmers, small farmers and rural communities, provides just and fair working conditions for farmworkers, protects the environment, and offers safe and healthy food to consumers. The Rural Coalition advocates for national policies that support these goals and initiate economic development efforts to bridge the digital divide and help our diverse members market the products of their small farms.

Federation of Southern Cooperatives/Land Assistance Fund

The Federation of Southern Cooperatives/Land Assistance Fund is a resource and advocacy association involving 25,000 low-income rural families, organized into over 100 cooperatives, credit unions and community-based economic development groups across the South. Organized in 1967, the Federation has a quarter century of direct, cutting edge experience providing outreach and technical assistance to under-served farmers throughout the southeast. Since the mid-1980's, the Federation has worked in coalition with other progressive farm groups for better prices, more accessible credit and special rights for farmers of color to compensate for decades of discrimination and neglect by USDA and other government agencies.

Missouri Rural Crisis Center

The Missouri Rural Crisis Center is a progressive, nonprofit organization with more than 5,500 member families from all over Missouri. The Center works to preserve family farms, promote stewardship of the land and environmental integrity, and strive for economic and social justice by building unity and mutual understanding among diverse groups, both rural and urban.

Missouri Rural Crisis Center members work toward equitable farm and food policies that pay farmers a fair price for their livestock and crops while providing high-quality food at affordable prices to consumers.